

DEPUTY COUNTY ADMINISTRATOR

Sandi Wilson



DATE: January 14, 2002

TO: Judicial Branch, Elected Officials, Chief Officers & Department Directors

FROM: Sandi Wilson, Deputy County Administrator

SUBJECT: Budget Message from the Deputy County Administrator

It is time to kick-off another budget season at Maricopa County. The current fiscal year has been a challenge due to the recession and increased service demands. However, I think that we can all be proud of the way the County has worked together to solve our fiscal difficulties. Forty-eight of fifty-four departments responded to our call for reducing expenditures and/or increasing revenues in order to bring the 2001-02 budget into structural balance. Thank you for your teamwork and support. Maricopa County was spared the across-the-board cost –cutting that so many governmental entities engaged in this year.

Fiscal year 2002-03 will be the most difficult since the fiscal crisis of the mid-90's. The Office of Management and Budget is anticipating that **little or no funding** will be available for allocation. Therefore, **no** Results Initiative Requests are being solicited for the coming year. What little additional revenues are expected will be used to fund mandated health care issues (including the State of Arizona's long-term care, acute care and other state health mandates), the general election, health benefit increases and other annualized costs. Targets will be distributed on January 18th, and will be calculated based on your revised budget with any Board-approved adjustments included. Additionally, base budget reductions will be considered during the budget development process.

Funding for compensation will be directed to employee benefits. At this time, it is not anticipated that salary adjustments will be funded. However, a gain-sharing incentive plan that ties to results is being developed and will be sent to the Board of Supervisors for review and approval in the coming months. We hope that all departments will participate in this program so that employees can be rewarded with one-time incentives, which will somewhat offset the salary adjustment void that will occur in 2002-03.

The five-year Capital Improvement Program will be approved separately by the Board of Supervisors in April, prior to presentation of the CAO's budget in May. This revised procedure will ensure that funding of CIP is given the full attention and consideration by the Board. Funding for infrastructure projects is expected to continue, although some previously approved projects may

not move forward or may be revised from their original scope because of diminished or reduced funding.

Maricopa County will continue to Manage for Results in 2002-03. Departments will be asked to allocate costs by programs, activities, and services in the Adaytum budget system. The Budget Preparation System is expected to be available in late February for input of this data. In addition, OMB will continue to discuss strategic plans and goals as we review budget plans this year.

Chairman Don Stapley, in his Chairman's address on January 2, 2002, gave us all a complement and a challenge. I quote, "This Board of Supervisors, indeed everyone in the county, has been excellent in continuing to streamline government and allowing it to run efficiently and effectively with as little money taken from our taxpayers as possible. The past three years running we have reduced the property tax rate. I would like to continue that tradition during my tenure." This challenge will be a difficult one to meet in the coming budget cycle, but one we should continue to strive for. I ask for your support.

Although I know that the months ahead will be tough, I am confident that I have your support as we work together to overcome our fiscal issues. The teamwork that was shown during the budget alert process will need to be continued and expanded, so that Maricopa County can achieve sound results during these lean times. Thank you for your assistance and please feel free to call me with any questions or issues you may have.

cc: Budget Liaisons